



BEFORE THE POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Annual Compliance Report, 2015
Docket No. ACR2015

COMMENTS ON ANNUAL COMPLIANCE REPORT

February 2, 2016

On January 6, 2016, the Commission solicited public comments on the Postal Service's Annual Compliance Report.

In response to the materials provided by the United States Postal Service (USPS) in the agency's Annual Compliance Report for Fiscal Year 2015, Americans for Tax Reform (ATR) hereby submits the following comment and testimony which ATR President Grover Norquist submitted to the Senate Committee on Homeland Security and Government Affairs for a hearing held on January 21, 2016, titled "Laying Out the Reality of the United States Postal Service."

Over the last decade the Postal Service has been under extreme financial pressure, and the longer these problems are allowed to continue the worse they will likely become. Fiscal year 2015 USPS marked the 9th consecutive year the Postal Service has endured billion dollar losses.

As concerning as these losses are, it is also concerning that the Postal Service has recently considered expanding into non-core related services in an effort to increase revenue. While there is an obvious need for revenue, the potential of expanding away from the core-related service of delivering mail should not be a way of shoring up the agency's finances.

Instead, the Postal Service should focus on reforming and improving the existing services it provides, in an effort to increase the operational and financial efficiency with which it functions.

In addition, ATR would also like to submit the following testimony that ATR submitted to the Senate Committee on Homeland Security and Government Affairs for a hearing held on January 21, 2016.

ATR Testimony submitted for Senate Homeland Security and Government Affairs Committee, January 21, 2016:

Chairman Johnson, Ranking Member Carper, and Members of the Senate Homeland Security and Governmental Affairs Committee, thank you for the opportunity to submit written testimony on some of the financial issues facing the Postal Service and the need for reforms.

My name is Grover Norquist. I am the president of Americans for Tax Reform. Americans for Tax Reform advocates on behalf of taxpayers for a system in which taxes are simpler, flatter, more visible, and lower than they are today.

With regard to the Committee's examination and discussion of issues facing the United States Postal Service (USPS) today, ATR hopes to highlight some of the concerns we have over the financial problems facing the Postal Service. Namely: the repeated annual posting of financial losses by USPS; the Postal Service's potential expansion into services unrelated to the core mission of delivering mail; and recent developments in the Postal Service's efforts to spend billions on new fleet procurement.

It is ATR's hope that by highlighting these concerns today, we can contribute to the discussion of needed financial reforms and ensure that no scenario arises where American taxpayers are left shouldering the Postal Service's financial burden.

It is no secret the Postal Service has been under extreme financial pressure over the last decade, and the longer these problems are allowed to continue the worse they will likely become. For fiscal year 2015 USPS reported \$5.1 billion in losses, marking the 9th consecutive year the Postal Service has endured such large losses.

While these losses are concerning, so are the recent suggestions that the Postal Service may consider expanding into non-core related services in an effort to increase revenue. In a white paper released last year by USPS, the possible expansion into the offering of financial services like check cashing and money orders was discussed.

It was also reported that the Postal Service has tested the possibility of grocery delivery in recent years as another possible source of revenue. Although there is an obvious need for revenue, the solution should not be to lead costly forays into areas outside of the agency's core mission. Instead, the focus should be on reforming and improving how the Postal Service operates the core services of mail delivery, in a manner that increases financial efficiency and service.

Lastly, the Postal Service's recent announcement of plans to replace its fleet of Grumman Long Life Vehicles with up to 180,000 "Next Generation Delivery Vehicles" at a cost of over \$6 billion highlights the need for improved financial constraint and efficiency. Reports show that alternatives exist for updating the Postal Service's fleet that would not only save USPS billions but would ensure the agency is not committed to such costs for decades to come.

It is ATR's hope that today's Committee discussions and the testimony submitted will help to highlight some of the pressing financial issues that have plagued the Postal Service, in an effort to further inform and educate on the need for reforming and improving the U.S. Postal Service.

Thank you for the opportunity to submit ATR's brief comment and recent testimony, and please feel free to reach out with any questions or concerns.

Sincerely,

Justin Sykes
Federal Affairs Manager
Americans for Tax Reform